

Subject Regulation of Shared Utility Metering in Residential Buildings

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Overview

This bill changes and replaces the law on shared-meter utility billing for residential rental units. It provides rights to tenants, including applying the cold weather rule to shared-meter utility billing, and provides for resolution by the Public Utilities Commission when tenants and landlords cannot reach an agreement in a dispute.

Summary

Section	Description
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1

Submetering.

Provides new regulation requirements for landlords of a residential building that uses “submetering” which is a device that measures utility services consumed within an individual residential living unit in a shared-meter residential building so that the tenant can be billed for their use of a utility service. This section provides remedies for tenants when the submetering system is inaccurate and prevents charging the tenant when the device for measuring has to be replaced, or fees, or from billing them if they were undercharged by a defective meter.

This section does not prevent submetering in a nonresidential or commercial building.

2

Biling; consumer protection.

Regulates how landlords pass utility costs on to residential tenants when the landlord uses submetering and apportions the utility bills to tenants based on their measured use, including information that must be provided to the tenant when a submetering device is used to measure the use of a utility.

This section prohibits apportioning electricity to a tenant who is billed separately for electric service, and provides that a landlord who submeters must only charge the tenant for electricity used in the tenant’s unit. Tenants must equally share the fixed service charges and taxes. This section also covers administrative billing charges,

Section	Description
	natural gas billing, late payments, payment plans, and collecting payment when the tenant was undercharged for utilities.
3	Shared-metered residential building; dispute resolution. Provides that tenants must try to resolve disputes with landlords before making a complaint to the commissioner. Requires landlords to provide a tenant who disagrees with the landlord's resolution of the dispute information about filing complaints with the commission.
4	Commission authority. Authorizes the public utilities commissioner to resolve disputes between a landlord in a shared-utility building and a tenant, and to levy fines as allowed under statute.
5	Definitions. Creates conforming changes to definitions related to the tenant's ability to raise a claim against a landlord who is not following the law in a residential building with shared-meter utilities.
6	Complaint resolution procedure. Allows a tenant who cannot reach a resolution with a landlord or public utility to bring the issue to the commission.
7	Utility service in shared-metered residential building. Provides that the landlord must be the named customer for utility billing in a building that has shared-meter utility billing for multiple tenants. The various rights and remedies in this section can be enforced by tenants where allowed and by the attorney general. This section also: <ul style="list-style-type: none">▪ requires that landlords must comply with the requirements for submetering in sections 1 and 2;▪ caps an administrative charge to a tenant for separately billed utilities at \$8 per month;▪ allows the tenant to require information related to the billing and utility use;▪ requires specific measurements to bill for natural gas and water and sewer use from a tenant in a shared-meter building;▪ requires pro rata shares of fees, charges, and taxes to be applied to tenants;▪ provides specific requirements related to the application of rent paid and what remedies a landlord has when a tenant does not pay their utilities, which includes preventing an eviction for unpaid utilities, and preventing an eviction for unpaid utilities when the cold weather rule is in place, as

Section	Description
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	well as when there is a heat emergency, or the tenant or their family has a medical emergency;
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| | <ul style="list-style-type: none">▪ requires a disconnect notice against the landlord be posted in the building and the tenants to be notified that the utilities may be disconnected with advice for tenants on how to get legal assistance; and▪ allows tenants to pay when the landlord is not paying and for that payment for the utilities owed by the landlord to be deemed rent payments by the tenants. |
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8	Nonlimitation of landlord's rights.
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	Provides that the court must make certain specific considerations in a case where a landlord tries to terminate a tenancy because the tenant is not paying for utilities in a shared-meter building.
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9	Repealer.
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	Repeals existing law in chapter 504B related to the regulation of shared-meter utilities in residential buildings.
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10	Effective date.
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	Provides that all the sections in this bill are effective on January 1, 2025, except section 7 which is effective on January 1, 2025, for leases entered into or renewed on or after that date.
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